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SUBJECT: RUSSIA'S CALCULUS ON ABKHAZIA AND HOW TO CHANGE IT

Classified By: Ambassador William J. Burns. Reason: 1.4 (d).

11. (C) Summary: Abkhaz saber rattling, Tbilisi's war rhetoric, and the reinforcement of Georgia's lingering separatist problems - these are the hallmarks of Russia's policy of keeping Saakashvili's government off-balance and undermining European confidence that Georgia can be a reliable partner in NATO. Pressing Tbilisi's buttons on Abkhazia allows Moscow to show the West the costs of Kosovar independence and the potential MAP offer, calculating that the U.S. will restrain its "client" from crossing the line into actual combat. Experts here describe the Kremlin as confident that it holds the face cards, with the expectation that Saakashvili will misplay his hand through harsh rhetoric, military posturing, and counter-productive economic sanctions. We do not believe that Putin wants a war with Georgia, but the possibility of miscalculation on both sides is real. Getting Russia interested in moving beyond the status quo - Moscow's preference under current circumstances - will involve real challenges: moving away from the win-lose calculus on Georgia's NATO aspirations; securing stronger French and German intervention; reducing the Russian and Georgian military footprint; getting Moscow's buy in for gradual confidence building measures; and using Medvedev's elevation to build a new bilateral dynamic. End Summary

Russian View: Hardball Policies Work  
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12. (C) Rather than being concerned, many Russian analysts and officials believe that the Georgian response to the crisis over Abkhazia has consolidated Russian strategic interests in the South Caucasus. These Russian interests are defined in traditional Great Power terms: maintaining preeminent influence in its neighborhood, preventing further NATO expansion eastward, and establishing a price-tag for neighbors whose Euro-Atlantic aspirations cross Kremlin red-lines. Setting aside the hyperbole of Russian nationalists, liberal and moderate Russian experts lay out the following line of reasoning:

-- Kosovo changed the equation: While Moscow repeats the mantra of respecting Georgian territorial integrity, because it fears the weakening of the principle of sovereignty with respect to its own multinational state, Russians believe Saakashvili has as much chance winning of over Sukhumi as Tadic did Pristina. Russians claim that the ethnic dispute preceded the Bolsheviks, bedeviled the Soviets, and plunged independent Georgia and Abkhazia into a shooting war. The analytical consensus is that the history of ethnic cleansing, the human rights atrocities on both sides, the corruption that ties the Abkhaz leadership to Russian criminal and ruling circles, and 15 years of independence from Tbilisi have irrevocably lost Abkhazia to Georgia. Russia's interest in preserving the moral high ground on Kosovo with respect to international law means that its strong preference will be to stop short of formal recognition of Abkhazia; nevertheless, Kosovo is seen as a green light for changing ground realities and appeasing the strong Russian public opinion in favor of Abkhazia's recognition with an increase in de facto control.

-- This is about NATO: With Russia wedded to balance of power politics, Moscow sees Georgia not as an independent actor, but an American proxy, in a battle over NATO expansion. Russian analysts tell us that the Kremlin will shrug off the international upset over the presidential instructions, the shoot-down of the Georgian UAV, and Georgian backlash against the Russian decision to increase the troop strength of the CIS peacekeepers as a manageable price for underscoring its own bottom-line: to Georgia, that NATO MAP comes at the cost of the albeit-remote possibility of winning back Abkhazia; to NATO members, that extending MAP to Georgia could invite a proxy war in the Caucasus; and to other former Soviet republics, that crossing Kremlin red-lines on NATO membership invites Russian fishing in the troubled waters of post-Soviet ethnic and territorial disputes. In this light, Georgian protestations that Russian actions could precipitate war constitute free advertising for Russia's realpolitik message to France and Germany in advance of the December NATO ministerial. Few Russian analysts and politicians appreciate or decry the long-term consequences of Russia's tactics.

-- Economic ostracism failed: To the extent that Georgia could attract Abkhazia back through the prospect of economic prosperity, Russian analysts believe that Saakashvili's insistence on sanctions and on the continued isolation of Abkhazia, pending resolution of the return of IDPs, was counterproductive and played into Kremlin hands. Russian analysts note that CIS sanctions de facto eroded as early as 2000: Russian passports (freely distributed) and the Russian market became Abkhazia's gateway to the world. Georgia's

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veto of the railway project to reopen the South Caucasus transportation corridor between Russia, Georgia, and Turkey is cited as one of the lost opportunities to give Abkhazia a stake in Georgia's economic growth. Having won the right to host the 2014 Winter Olympics in Sochi, with the prospect of more than 20 billion usd flooding into Abkhazia's backyard, Moscow's soft power will continue to trump Tbilisi's. Whereas the April 26 presidential instructions remove any Russian legal barrier to sharing Sochi's economic boon with the Abkhaz, Tbilisi seems a distant and unimportant player in Abkhazia's economic future. Currently, Russia is reaping the benefits of de facto recognition without paying the price tag that formal diplomatic recognition would trigger.

-- Georgian jingoism makes Russia the "savior" of Abkhazia: Russian analysts judge that Saakashvili's veiled threats and alliance with the U.S. have forced the Abkhaz to swallow their fear over Russian annexation (at least temporarily) and redouble their reliance on Moscow. In the Russian telling, Saakashvili's successful grab of Ajaria and then gutting of its autonomous status, Georgia's extensive military buildup, the seizure of the Upper Kodori gorge and establishment of an Abkhaz government-in-exile, the subsequent Georgian military reinforcements in the Kodori (furthered by the presumably Russian attacks on the Georgian outpost), the periodic assertions of a military resolution to Abkhazia by Saakashvili or other GOG officials, the UAV flights in violation of UNOMIG, and refusal to sign a no-use-of force declaration vitiated an atmosphere in which confidence building measures could take root. While some Russian analysts will accept that Georgia was operating well within its rights as a sovereign nation, they insist that Saakashvili missed the bottom-line: his policies unnerved and alienated the separatist regime, and opened the door for greater Russian influence. In the absence of step-by-step confidence building measures, with no-use-of-force being the most important, Russians share and encourage the Abkhaz view that the Saakashvili peace plan was nothing more than an international gambit.

-- Russia is integral to any peace process: Georgian efforts to alter negotiating formats and internationalize a

solution, while understandable in the face of Russian provocation, ignore the geographic and political realities of continued Russian influence. Russian analysts underscore that a Georgian-Abkhaz solution can only come in the context of improved Georgian-Russian relations. Given Abkhaz insistence on a continued Russian role, the Kremlin can fairly easily sidestep proposed changes in process that would diminish its centrality to a permanent solution, particularly since UNOMIG's presence is contingent upon the operations of the CIS peacekeepers.

-- Russia's preferred outcome is the status quo: With a variety of political, economic, and military assets at its disposal, Russia believes that it occupies the dominant position in this dispute, with Saakashvili poorly understanding the limits of his broadsides against Putin. The current situation suits Moscow's interests: Georgia, preoccupied with its internal divisions and outside European alliance structures; Abkhazia, "frozen" in its dependence upon the Kremlin and with no alternative sources of economic and diplomatic support.

#### Risk of Miscalculation Real

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13. (C) We do not believe that Putin or Medvedev are looking for a shooting war, but the risk of miscalculation by the Kremlin is real, with elements of the GOR looking to teach Saakashvili a lesson. While welcoming our message of restraint to the Georgian leadership, senior Russians believe that Saakashvili is predisposed to battle, counting on and even overestimating U.S. support. In the fog of accusation and counter-accusation, egged on or manipulated by the separatist leadership, it is not difficult to imagine a scenario where one or the other side's red-line is crossed.

14. (C) The situation will remain tense in the lead-up to the December NATO ministerial. On the one hand, according to Russian analysts, a Kremlin confronted with the reality of a MAP offer could decide to formally recognize Abkhazia, in order to present NATO with the fait accompli of a Georgian territorial conflict with Russia, and raising the ante of eventually extending membership and Article 5 to Tbilisi. In this case, the Russians may well overestimate our ability to keep Saakashvili steady. On the other hand, a disappointed Georgia could judge that absent MAP it has little to lose by not responding to Russian provocation, and Russia will rise to the challenge. The consensus here is that Russian strategic interests are best served by not recognizing Abkhazia, even in the event of MAP, and that the presidential

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instructions give Moscow all the tools that it needs to prosecute its interests; however, a worrying number of level-headed observers believe that diplomatic recognition is a real possibility and one that will be greeted with broad public acclaim in Russia.

#### Engaging Russia in a Viable Peace Process

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15. (C) After fifteen years of failed diplomatic efforts, we see no quick resolution to the standoff, with a political settlement unlikely in the absence of the incremental building of confidence between Georgia and Abkhazia, and Georgia and Russia. If autonomy under Georgia becomes more attractive to the Abkhaz than fealty to Russia, the Kremlin's strategy of perpetuating the status quo will fail. From our perspective, Georgia's trump card is Russia's unfailing heavy-handedness and superciliousness to its clients. Russia's policy leaves Abkhazia isolated internationally, with Sukhumi deprived of any prospect of international legitimacy. From our perspective, Russian goals of quasi-annexation could be thwarted should Georgia open up economic opportunities (free trade zones, joint economic projects, etc), rebuild political trust, and deepen the

definition of autonomy. The Abkhaz have yet to see that autonomy under Georgia gives them greater freedom than perpetual political limbo with Russia. Seen from Moscow, the steps that would change the Russian and Abkhaz political calculus include:

-- Reducing the Georgian and Russian military foot print: Demilitarization of the Upper Kodori gorge, coupled with a return to normal CIS peacekeeping staffing levels and the introduction of UNOMIG joint UAV monitoring of the security zone could move all sides back from the edge. Removing the Kodori gorge irritant and securing Georgian-Abkhaz agreement on a no-first-use of force declaration would remove Russian and Abkhaz pretexts for avoiding direct Abkhaz-Georgian negotiations.

-- Focusing on CBMs, not final status: As the war hysteria indicates, there is no trust between the Georgian and Abkhaz leadership, with Saakashvili's peace plan dead on arrival. The range of CBMs are well-known, but linking their implementation to the full return of IDPs has kept most on the shelf. Given the economic resources Russia will bring to bear in its quasi-annexation of Abkhazia, further isolation of Abkhazia serves only the Kremlin's interests. Russia could be persuaded to play a more constructive role if the short-term focus was on rebuilding trust between Georgia and Abkhazia.

-- Accelerating Euro-Atlantic Integration Beyond NATO MAP: We should recognize that the prospect of a near-term offer of MAP has redoubled Russian support for the separatist entities and reduced, in the Kremlin calculus, the incentive for Russia to encourage Georgian-Abkhaz rapprochement. The Russians are focused on reinforcing to key European partners Putin's message that Russia is not ready for this round of NATO expansion, requiring both time and a fundamentally different understanding of NATO for it to become palatable to the Russian leadership and body politic. Given the level of uncertainty over a MAP offer, encouraging the EU to put Georgia on a faster and higher profile track to other attributes of EU membership could reinforce the strong international support for Georgian aspirations, while lowering the profile and win-lose calculus of the December NATO Ministerial.

-- Deploying France and Germany: Russia is playing to a French and German audience, seeking to demonstrate the unreliability of Georgia as a future NATO partner. The message that Paris and Bonn deliver to Moscow on its saber-rattling in Abkhazia and its approach to Tbilisi is essential, particularly given the weight that these two partners enjoy in the Kremlin and with Medvedev personally. Medvedev's first European trip is to Berlin on June 5, building on his long association with FM Steinmeier. FM Steinmeier will spend the week of May 12 in Russia, starting on Monday in Yekaterinburg (in response to Medvedev's appeal to visit the regions) where FM Lavrov will join him on Tuesday, before traveling to Moscow on Wednesday for meetings with Medvedev and Putin, and departing via another conference in St. Petersburg on Friday. The French Embassy tells us that FM Kouchner, who weighed in on Abkhazia in a May 7 telephone call to Lavrov, could also be in Moscow in the middle of next week to preview France's European Union presidency. The Kremlin needs to hear an unambiguous message of where France and Germany stand; otherwise, Russia will continue efforts to rattle nerves by raising Georgia's temperature.

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-- Increasing the political costs for Russia: By pursuing all international mechanisms for challenging Russian investments in Abkhazia, Georgia - with the support of the international community - can raise the costs of the Kremlin's unilateral policy of quasi-recognition. Abkhazia is not Kosovo, and cannot be transformed into Taiwan without

the acquiescence of the international community. Not even Belarus has fallen in line with Russia's lifting of CIS sanctions. Facilitating Georgian efforts to raise questions about the sanctity of Russian investments and the security of Russian investors in the frozen territories will drive this point home.

-- Encouraging a new Medvedev-Saakashvili dynamic: The political succession in Russia will not lessen Putin's power, but it can change the personal dynamic that has bedeviled Russian-Georgian relations. With Medvedev expected to be the new face of Russian foreign policy, there is the possibility of moving beyond Putin and Saakashvili's personal animosity to focus on the fundamentals of the bilateral relationship. Both leaders should be encouraged to renew efforts at engagement. While Russia holds many of the cards in the current dispute, providing the Abkhaz with a better deal than fealty to Moscow could fundamentally change the Caucasus dynamic over time.

BURNS